



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: SEPTEMBER 11, 2018

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - SECOND AMENDMENT TO AGREEMENT NO. 16-3436 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND ENVIRONMENTAL COMPLIANCE SOLUTIONS, INC. FOR AS-NEEDED ENVIRONMENTAL DOCUMENTATION AND SPECIAL ENVIRONMENTAL SERVICES

SUMMARY:

Staff requests approval of a second amendment (Second Amendment) to Agreement No. 16-3436 with Environmental Compliance Solutions, Inc. (ECS), which will increase the contract amount from \$2,800,000 to \$3,900,000. The additional funds are needed to provide administrative and technical support for large-scale in-progress or pending environmental documents and while staffing vacancies in the City of Los Angeles Harbor Department's (Harbor Department) Environmental Management Division (EMD) are filled and new staff can be trained. There is no change to the contract term, which is due to expire on December 1, 2019. The Harbor Department is financially responsible for expenses incurred under this agreement.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with City Charter Section 1022, work under the Second Amendment can be performed more feasibly by independent consultants rather than by City employees;
3. Approve the Second Amendment to Agreement No. 16-3436 with Environmental Compliance Solutions, Inc. to increase the contract amount from \$2,800,000 to \$3,900,000;

DATE: SEPTEMBER 11, 2018

PAGE 2 OF 5

SUBJECT: SECOND AMENDMENT TO AGREEMENT NO. 16-3436 WITH ENVIRONMENTAL COMPLIANCE SOLUTIONS, INC.

4. Authorize the Executive Director to execute and the Board Secretary to attest to said Amendment for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On November 17, 2016, the Board approved a contract with ECS along with six other firms (collectively, As-Needed Environmental Consultants) to provide as-needed environmental documentation and special environmental services. The As-Needed Environmental Consultants were selected through a Request for Proposals (RFP) process in 2016, in accordance with the City of Los Angeles' policy of open competition for contractual services. Through their respective agreement, the As-Needed Environmental Consultants support EMD in its responsibilities for managing and conducting environmental assessments such as Environmental Impact Reports (EIRs) and special environmental studies associated with the CEQA and the National Environmental Policy Act (NEPA).

During the first year and a half of the ECS agreement, four CEQA staff members, consisting of two Environmental Specialists and two Marine Environmental Supervisors, left the Harbor Department. Due to these vacancies, ECS was tasked with providing administrative and project management services for preparation of environmental documents underway as well as those initiated during the first year and a half of the contract. Consequently, in the first year and a half of the contract, ECS provided and continues to provide project management for over a dozen EIR/EISs, Negative Declarations, and EIR Addendums; support for pre-project planning, processing of environmental assessments and space assignments; Board report draft language; budget and schedule tracking; coastal development permit language review; permit reviews for environmental language; Project Development Committee report preparation; reviews of CEQA documents as a Lead Agency; and attendance at on-going meetings associated with environmental assessments. EMD has further received applications for several new projects needing either EIRs or Negative Declarations for which ECS will provide project management while full time City staff are hired and trained. EMD is in the process of interviewing for two CEQA positions and will subsequently seek candidates for the remaining positions. At the halfway mark of the three-year contract, approximately \$2,600,000 of the \$2,800,000 authorized agreement amount has already been committed for ECS to provide support to EMD. Given anticipated expenditures over the remaining term of this contract, the additional funds are expected to be sufficient to cover ECS's expected workload.

As part of the 1022 process, the Contracts and Purchasing Division (CPD) asked other City Departments if they had City staff that could perform the work covered under

DATE: SEPTEMBER 11, 2018

PAGE 3 OF 5

SUBJECT: SECOND AMENDMENT TO AGREEMENT NO. 16-3436 WITH ENVIRONMENTAL COMPLIANCE SOLUTIONS, INC.

Agreement No. 16-3436. For the Departments that did respond to CPD's inquiry, they stated that they do not have available staff. A few City Departments did not respond, which is understood to mean that they cannot provide staff.

First Amendment – Agreement No. 16-3436 with ECS was initially approved for \$1,300,000. While this allocation was initially expected to be sufficient through the contract term ending on December 1, 2019, unanticipated workload and staffing issues required that the contract amount be increased by an additional \$1,500,000 for a not-to-exceed amount of \$2,800,000. The Board approved this increase on December 5, 2017.

Services to be Performed – ECS was selected to provide special environmental services in the areas of air quality, toxic air contaminants, and greenhouse gases; mitigation monitoring and reporting; and in-house CEQA/NEPA project management. ECS is performing these services under Agreement No. 16-3436 for the following projects:

- General CEQA support, including but not limited to, processing CEQA exemptions and preparing environmental assessment language for all Board reports
- In-house project management support to augment staff (up to three positions)
- Valero MOTEMs EIR
- Phillips 66/Kinder Morgan MOTEMS EIR
- Kinder Morgan Wharf Repair Project Mitigated Negative Declaration
- Terminal Island Railyard Enhancement Project Mitigated Negative Declaration
- Construction and Maintenance Renovation Negative Declaration
- Matson Building Demolition Negative Declaration
- Yang Ming Container Terminal EIR/EIS
- Pasha Peel Off Yard Negative Declaration
- Wilmington Waterfront Addendum
- AltaSea environmental assessment support
- ORCEM Environmental Impact Report
- Pacific Rim Materials Environmental Impact Report
- Port Maintenance Group Negative Declaration
- Pacific Crane Maintenance Company Negative Declaration
- Avalon and Fries Mitigated Negative Declaration

In addition, several new projects requiring EIRs or Negative Declarations are anticipated through the end of the contract period.

Proposed Second Amendment – Due to unanticipated workload and staffing issues, the current, as amended, not-to-exceed amount of \$2,800,000 under Agreement No. 16-3436 has been deemed insufficient. Therefore, the Second Amendment (Transmittal 1) is

DATE: SEPTEMBER 11, 2018

PAGE 4 OF 5

SUBJECT: SECOND AMENDMENT TO AGREEMENT NO. 16-3436 WITH ENVIRONMENTAL COMPLIANCE SOLUTIONS, INC.

required in order to increase by \$1,100,000 the not-to-exceed amount under Agreement No. 16-3436 to an aggregate not-to-exceed amount of \$3,900,000 through the remaining contract term ending on December 1, 2019.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the Second Amendment to Agreement No. 16-3436 with ECS to increase the contract amount from \$2,800,000 to \$3,900,000 for CEQA/NEPA environmental documentation and special environmental services, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed Second Amendment would increase compensation to an amount not-to-exceed \$3,900,000 over the remaining term of Agreement 16-3436 expiring on December 1, 2019. It is anticipated that Second Amendment funds will be expended as follows:

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
FY 18/19	\$ 390,000	\$ 300,000	\$ \$690,000
FY 19/20	\$ 290,000	\$ 120,000	\$ \$410,000
Total	\$ 680,000	\$ 420,000	\$1,100,000

Funding in the amount of \$690,000 related to the proposed Second Amendment was included in the FY 2018-2019 Adopted Budget. As summarized within the above table, funding of \$390,000 was allocated for FY 2018-2019 operating expenses and is available within Account 54260, Center 0330, Program 000. Additionally, funding of \$300,000 was allocated for FY 2018-2019 capital expenses and is available within Account 54260, Center 1000, Program 000. Funding needed in future fiscal years will be requested through the annual budget adoption process.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by Agreement No. 16-3436, the Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Second Amendment to Agreement No. 16-3436 as to form and legality.

DATE: SEPTEMBER 11, 2018

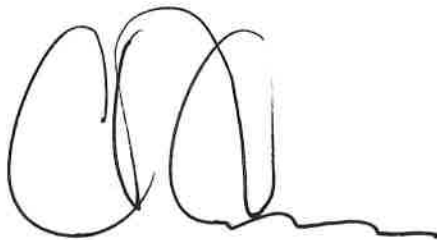
PAGE 5 OF 5

SUBJECT: SECOND AMENDMENT TO AGREEMENT NO. 16-3436 WITH ENVIRONMENTAL COMPLIANCE SOLUTIONS, INC.

TRANSMITTAL:

1. Second Amendment to Agreement No. 16-3436 with Environmental Compliance Solutions, Inc.

FIS Approval: MB
CA Approval: gm



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:


FOR

EUGENE D. SEROKA
Executive Director

CC/yo
AUTHOR: L.WUNDER

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